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February 27, 2019

The Honorable Stephen Oldt, Chairman
Board of Supervisors
Shippensburg Township
81 Walnut Bottom Rd.
Shippensburg, PA 17257

RE: GW Cumberland Op Co. Local Impact Report

Dear Chairman Oldt:

We represent GW Cumberland Op Co. ("GWC") in its efforts to establish a Category 4 Casino in Shippensburg Township. Pursuant to the regulations of the Pennsylvania Gaming Control Board, GWC hired Econsult Solutions, Inc. to conduct a local services and economic impact analysis for the proposed casino, which details impacts on Shippensburg Township. Enclosed please find a copy of the Local Impact Report in support of the proposed Category 4 facility. If you have any questions, please do not hesitate to contact me.

Sincerely,



Mark S. Stewart

MSS/KEM
Enclosure

MEMORANDUM

TO: Mark Stewart, Esq., Eckert Seamans Cherin & Mellott, LLC
FROM: Econsult Solutions, Inc.
DATE: February 26, 2019
RE: Economic and Fiscal Impact in Support of PGCB Application and Disclosure Form

Background

Greenwood Gaming and Entertainment, Inc. ("Greenwood"), as part of its application for a Category 4 Casino located in Shippensburg Township ("Shippensburg"), hired Econsult Solutions, Inc. ("ESI") to conduct local services and economic impact analyses. The proposed Pennsylvania Licensed Mini Casino would be a new build, 63,000 sq. Ft. single-phase construction site, near Exit 29 off Interstate 81 ("I-81"). The site is zoned industrial and has no adjacent housing developments.

This memo details our analysis in support of Appendix 33 and Appendix 37 (Sections 7 and 9) of Greenwood's application to the Pennsylvania Gaming Control Board (PGCB). Our analysis includes a local impact report and an economic and fiscal impact report for the site, detailing its impacts on both Shippensburg Township and the Commonwealth of Pennsylvania.

Appendix 33

Methodology

To evaluate the potential impact of the proposed casino on Shippensburg Township, ESI undertook a two-part analysis. First, we consulted Steve Oldt, Shippensburg Township Supervisor, to understand the baseline services levels in the township. Second, we evaluated the estimated impacts that the casino would have on applicable Township services. The local services impact enables us to assess the relative cost to the Township against the estimated new tax revenue generated by the proposed casino (see Table 12).

Public Works Department:

Street Maintenance:

Due to the nature of the proposed casino location site, we anticipate negligible impacts on street maintenance. We expect that casino visitors will have minimal travel on township roads because the site is located immediately off I-81. Also, the site location is off Exit 29, which is currently undergoing upgrades for a new warehouse facility. From this, the Exit will not require any additional new lanes or adjusted traffic patterns.

Public Safety:

Police:

Shippensburg Township is under the jurisdiction of the state police force. We do not anticipate the casino itself would necessitating the addition of a locally-controlled police force, but it could help local officials take action on addressing an existing concern about local ordinance enforcement. Shippensburg Township has identified that the tax revenues from the casino may enable the Township to re-institute a local or regional police force. A local or regional police force would allow the township to enforce local ordinances.

Fire and EMS:

The Vigilant Hose Company ("the Company") serves Shippensburg Township. The Company is an all-volunteer fire company that provides fire and emergency medical services ("EMS") to the Borough of Shippensburg, Shippensburg Township, Shippensburg University, and Southampton Township Cumberland County. The Company is currently below maximum capacity. We anticipate that the casino would have a negligible impact on fire and EMS service demands, while significantly increasing the Company's budget. The Company expects that the increased tax revenue from the proposed casino will reduce its need to fundraise and allow it to focus more on recruitment and training.

Other Municipal Services and Resources:

Zoning

Due to recent amendments to the Shippensburg Township Zoning Ordinance, "Casino / Gambling Facility" uses are expressly permitted as "Conditional Uses" in the Industrial District ("I") at the proposed site. The Township's Planning Commission and Board of Supervisors will need to hold public proceedings in connection with the Conditional Use approval. However, most, if not all, of the costs to the Township should be accounted for by the applicable zoning hearing and permit application fees. Similarly, the land development and construction phases of the project will create a neglig the Township.

During the land development and construction phases, there would be some administrative work typical for all construction projects of this size. The burden to the Township from the administrative work will

be minimal. The bulk of such work will be performed primarily by third-party services contracted by the Township for local engineering reviews and inspections and Uniform Construction Code ("UCC") building permit plan reviews and ongoing project inspections during the construction. Consequently, there is not anticipated to be a material burden on the staff time of the municipality. Also, the costs of such plan reviews, inspections, and related administrative work should generally be covered by the land development fees charged under the Pennsylvania Municipalities Planning Code and the Township's Subdivision and Land Development Ordinance and by the building permit fees under the UCC.

The ongoing operations of the casino are expected to have a minimal impact on the permits office and should not produce any significant adverse increases in workload in other government departments. Non-municipal utility companies provide gas, electric, and telecommunications services. Greenwood does not anticipate that these services will have any impact on Shippensburg Township.

Water/Sewer

Applicant's engineers have determined that there are appropriate water and sewer capacity for the proposed facility at the Shippensburg Township site and that there will be no detrimental impact on groundwater or wells on other properties from the intended use.

Greenwood has initially prepared alternative designs for the proposed facility so that it could either be operated using public water if a line with sufficient pressure can extend to the property. Greenwood's engineers are currently exploring an extension or on-site well water with a water tank for proper pressure (of 250 gpm for a minimum duration of 90 seconds per NFPA Code requirements) to meet or exceed not only the regular operational specifications of the casino but all potential fire-fighting needs.

Advantage Engineers released a preliminary hydrogeological study on February 13, 2019. The study confirms that it is feasible to develop a well system with sufficient yield for adequate quality potable water to support the operational needs of the proposed facility plus also all potential fire-fighting needs and that such system would not have a detrimental effect on groundwater or other wells.

Greenwood understands from the Cumberland Franklin Joint Municipal Authority that the site will have sufficient public sewer capacity available to support the proposed facility. Greenwood's engineer's have requested written confirmation of the availability of the requisite number of equivalent dwelling units ("EDUs") of sewer capacity for a connection for the facility from the Authority. This information will be supplemented with a copy of that written confirmation when it is available.

Conclusion

Greenwood will act as an economic engine and community partner, bringing jobs and tax revenues to the community. In total, the casino development is expected to have no negative impact on the Township.

VERIFICATION

I, Mark S. Stewart, hereby state that a copy of GW Cumberland Op Co's Local Impact Report dated February 26, 2019, was sent to the Honorable Stephen Oldt, Shippensburg Township Supervisor Chairman, on February 27, 2019 via first-class mail. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



Mark S. Stewart, Esq.

(I.D. No. 75958)

ECKERT SEAMANS CHERIN &
MELLOTT, LLC

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Telephone: 717.237.6000

Fax: 717.237.6019

Date: February 27, 2019

Attorney for GW Cumberland Op Co.

APPENDIX 37

AS REQUIRED BY §1325 OF THE GAMING ACT, APPLICANT MUST ADDRESS EACH ITEM LISTED IN THIS SECTION. IF AN ITEM DOES NOT APPLY, THE APPLICANT MUST STATE THAT IN RESPONSE TO EACH ITEM LISTED. PROVIDE A DETAILED PLAN.

(1) THE LOCATION AND QUALITY OF PROPOSED FACILITY, INCLUDING, BUT NOT LIMITED TO, ROAD AND TRANSIT ACCESS, PARKING AND CENTRALITY TO MARKET SERVICE AREA;

The planned Category 4 facility will be located at 250 South Conestoga Drive, Shippensburg, PA 17257. The proposed location is well-positioned regionally, situated approximately 15 miles south of Exit 44 in Carlisle, 13 miles north of Chambersburg, PA and 29 miles north of the Pennsylvania/Maryland state line. The proposed location is just over one mile from major Interstate Highway I-81 via PA Route 174. The site offers easy accessibility for residents and visitors and currently has 500 parking spaces.

(2) THE POTENTIAL FOR NEW JOB CREATION AND ECONOMIC DEVELOPMENT WHICH WILL RESULT FROM GRANTING A LICENSE TO THE APPLICANT;

Prior to opening, GWC expects to generate between 150 and 175 construction jobs in relation to the development and construction of the facility. GWC also anticipates creating approximately 200 jobs in association with the operation of the facility. The casino will generate 160 full time equivalent positions (FTEs), and 200 full time and part time jobs at the site. The average annual wages per FTE will be approximately \$42,000 and combined benefits will be over \$10,000. The Local Share Assessment is projected to be approximately \$1.8 million per annum.

	<u>Year 1</u>
Full Time Equivalents (FTEs)	160
Full & Part Time Jobs	200
LSA	\$1,800,000

GWC will also have a positive impact on job creation and the economy through the purchase of various goods and services that will be needed during the construction and operation of the casino. This economic activity is projected to generate approximately \$60 million of economic benefit during the construction phase and approximately \$43 million in annual economic benefit to the community from the operation of the casino. GWC anticipates that approximately 850,000 visitors will be drawn to the facility annually. Those visitors will bolster the regional economy with dollars spent on lodging, dining, transportation, retail, and other goods and services.

(3) THE APPLICANT'S GOOD FAITH PLAN TO RECRUIT, TRAIN AND UPGRADE DIVERSITY IN ALL EMPLOYMENT CLASSIFICATIONS IN THE FACILITY;

(4) THE APPLICANT'S GOOD FAITH PLAN FOR ENHANCING THE REPRESENTATION OF DIVERSE GROUPS IN THE OPERATION OF ITS FACILITY THROUGH THE OWNERSHIP AND OPERATION OF BUSINESS ENTERPRISES ASSOCIATED WITH OR UTILIZED BY ITS FACILITY OR THROUGH THE PROVISION OF GOODS OR SERVICES UTILIZED BY ITS FACILITY AND THROUGH THE PARTICIPATION IN THE OWNERSHIP OF THE APPLICANT. PROVIDE SPECIFIC INFORMATION REGARDING THE DIVERSITY IN OWNERSHIP OF THE APPLICANT, I.E. MINORITIES, WOMEN;

(5) THE APPLICANT'S GOOD FAITH EFFORT TO ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING BY IT AND ANY CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS, GAMING SERVICE PROVIDERS AND SUPPLIERS IT MAY EMPLOY DIRECTLY OR INDIRECTLY;

See GGE's Diversity and Inclusion Plan attached to its Category 1 Renewal Application submitted to the PGCB on September 18, 2017.

(6) THE HISTORY AND SUCCESS OF THE APPLICANT IN DEVELOPING TOURISM FACILITIES ANCILLARY TO GAMING DEVELOPMENT, IF APPLICABLE TO THE APPLICANT;

See Appendix 16 of GGE's Category 1 Renewal Application submitted to the PGCB on September 18, 2017.

(7) THE DEGREE TO WHICH APPLICANT PRESENTS A PLAN FOR THE PROJECT WHICH WILL LIKELY LEAD TO CREATION OF QUALITY, LIVING-WAGE JOBS AND FULL-TIME PERMANENT JOBS FOR RESIDENTS OF THE COMMONWEALTH GENERALLY AND FOR RESIDENTS OF THE HOST POLITICAL SUBDIVISION IN PARTICULAR;

GWC projects that its proposed facility will create approximately 200 jobs, of which 160 will be full-time equivalent positions with competitive compensation and excellent benefits. GWC anticipates that nearly all employees will be Pennsylvania residents, with the vast majority drawn from the host and contiguous counties. During the construction of the facility, GWC expects that between 150 and 175 construction jobs will be filled. GWC projects that the proposed facility, through construction and operations, will generate approximately 375 indirect and induced jobs.

(8) THE RECORD OF THE APPLICANT AND ITS DEVELOPER IN MEETING COMMITMENTS TO LOCAL AGENCIES, COMMUNITY-BASED ORGANIZATIONS AND EMPLOYEES IN OTHER LOCATIONS;

See Appendix 16 of GGE's Category 1 Renewal Application submitted to the PGCB on September 18, 2017.

(9) THE DEGREE TO WHICH POTENTIAL ADVERSE EFFECTS WHICH MIGHT RESULT FROM THE PROJECT, INCLUDING COSTS OF MEETING THE INCREASED DEMAND FOR PUBLIC HEALTH CARE, CHILD CARE, PUBLIC TRANSPORTATION, AFFORDABLE HOUSING AND SOCIAL SERVICES, WILL BE MITIGATED;

GWC is committed to working collectively with the township and county governments, social service agencies and charities to address and combat any adverse social effects which may stem from the development of the proposed gaming facility. GWC is confident that,

overall, the proposed licensed facility will have a tremendous net positive impact on the local community. Nonetheless, as its problem gambling program and the history of community involvement of its principals shows, GWC understands and takes very seriously the potential adverse effects associated with any major new development of this size, as well as those that are unique to gaming projects. GWC is committed to being a leader and a partner in developing comprehensive solutions to these and other issues.

(10) THE RECORD OF APPLICANT AND ITS DEVELOPER REGARDING COMPLIANCE WITH

(i) FEDERAL, STATE AND LOCAL DISCRIMINATION, WAGE AND HOUR, DISABILITY AND OCCUPATIONAL AND ENVIRONMENTAL HEALTH AND SAFETY LAWS;

(ii) STATE AND LOCAL LABOR RELATIONS AND EMPLOYMENT LAWS;

(iii) THE APPLICANT'S RECORD IN DEALING WITH ITS EMPLOYEES AND THEIR REPRESENTATIVES AT OTHER LOCATIONS.

See GGE's initial Category 1 Slot Machine Licensee Application submitted to the PGCB on December 28, 2005 and subsequent Renewal Applications, the most-recent of which was submitted on September 18, 2017.

Appendix 37: Sections 7 and 9

Methodology

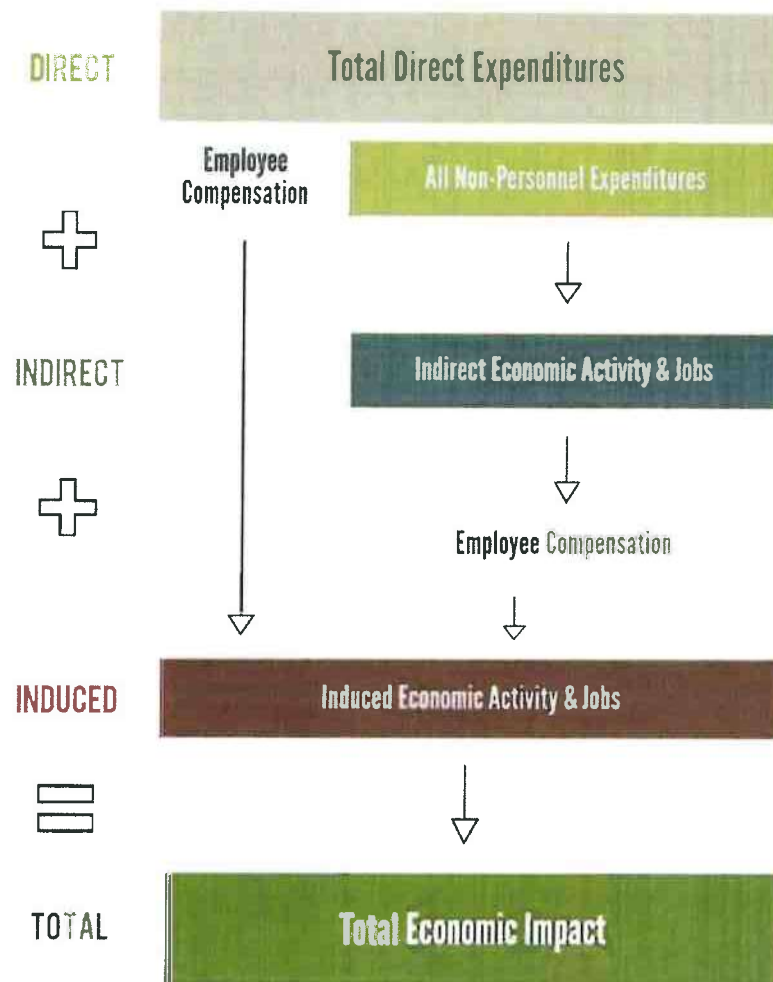
We generate economic impact estimates by utilizing input-output models to translate an initial amount of direct economic activity into the total amount of economic activity that it supports, which includes multiple waves of spillover impacts generated by spending on goods and services and spending of labor income by employees. The economic impact of direct expenditures is modeled using IMPLAN, an industry standard input-output model software program. Such models are designed to estimate two sets of spillover impacts from direct spending:

- The indirect effect, which measures the multiplier effect from the purchase of goods and services from local vendors (i.e. supply chain impacts); and
- The induced effect, which measures the multiplier effect from the spending of labor income by employees within particular geography (i.e. labor income impacts).

The total economic impact of the proposed casino is the sum of its direct economic footprint (in terms of both Greenwood's spending, and ancillary spending by the visitors they attract), plus the indirect and induced effects generated by that direct footprint. We estimated economic impacts for Shippensburg Township, Cumberland County, and the Commonwealth of Pennsylvania (inclusive of the township and county impact) (see Figure 2).

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Figure 1 – Economic Impact Methodology



Source: IMPLAN (2015), Piktochart (2018)

The economic impacts, estimated using IMPLAN, are translated to the fiscal effects using tax models created by ESI specific to the Commonwealth of Pennsylvania and Shippensburg Township. ESI uses its fiscal model, which establishes the relationship between economic activity and tax revenue collections for various jurisdictions (i.e. effective tax rates). For example, casino employees generate wage and income tax, and the indirect and induced activity it creates mainly accrues to private firms and therefore is broadly tax generating.

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Section 7

This section of the report quantifies the construction and ongoing operations impact within Shippensburg Township, Cumberland County, and Pennsylvania. Direct construction activity will employ construction workers and professional service providers, who will, in turn, spend a portion of their salaries and wages within the local and state economy. Construction activity is also expected to catalyze the procurement of a wide range of goods and services, which will translate into new economic opportunities for local and state vendors. Ongoing operations will require the acquisition of various products and services, which is expected to translate into new economic opportunities for local and state vendors representing a wide range of industries.

The one-time economic impact of the proposed casino's construction is estimated to be \$81 million (see Table 2) which is projected to support approximately 630 jobs in Pennsylvania. Construction is expected to also generate approximately \$1.7 million in tax revenues for the Commonwealth.

The total economic impact of ongoing operations on Shippensburg is projected to be \$74.0 million (Table 4) when the casino is fully operational, and create 320 jobs in the Township. Total tax revenue generated, including local property and gaming, state income, sales, and business taxes, by the proposed development's operations is estimated to be nearly \$997,000 annually.

Upfront Construction

According to construction budgets prepared by Greenwood, we anticipate that the development of the casino is estimated to represent \$71 million (Table 1) in direct upfront expenditures. Not all expenditures represent direct outlays that produce spillover effects within the region and state. We partially or fully reduce specific expenditure categories before modeling. Based on this approach, we estimate that the project represents approximately \$40.5 million in direct upfront expenditures.

Table 1 – Estimated Direct Expenditures from Upfront Construction

Direct Expenditure Category	Total Construction Expenditures	Modeled Portion	Modeled Construction Expenditures
Construction and Preopening (\$M)	\$35.0	100%	\$35.0
Architect, Legal, Construction Management (\$M)	\$4.6	100%	\$4.6
Fees and Insurance (\$M)	\$11.6	0%	\$0.0
FF&E (\$M)	\$4.5	5%	\$0.2
Land Acquisition (\$M)	\$2.0	0%	\$0.0
Equipment (\$M)	\$13.2	5%	\$0.7
Total	\$71.0	-	\$40.5

Source: Greenwood Gaming and Entertainment, Inc. (2018)

Upfront construction of the development is expected to have significant one-time impacts on the regional and state economy. The construction phase is expected to represent approximately:

- \$40.3 million in one-time economic impact within the Township economy, supporting 394 jobs and \$29.5 million in earnings,
- \$69.5 million in one-time economic impact within Cumberland County, supporting 580 jobs and \$38.7 million in earnings, and
- \$81.0 million in one-time economic impact within the Commonwealth, supporting 630 jobs and \$41.8 million in earnings.

Table 2 – Estimated One-Time Impact to Shippensburg Township, Cumberland County and the State of Pennsylvania from Upfront Construction

Economic Impact from Upfront Construction	Economic Impact to Shippensburg Township	Economic Impact to Cumberland County	Economic Impact to the State of Pennsylvania
Direct Output (\$M)	\$39.8	\$39.8	\$39.8
Indirect and Induced Output (\$M)	\$0.51	\$29.7	\$41.2
Total Impact (\$M)	\$40.3	\$69.5	\$81.0
Employment Supported (FTE)	394	580	630
Earnings (\$M)	\$29.5	\$38.7	\$41.8

Source: IMPLAN (2015)

Construction of the casino is also expected to generate tax revenues for the Commonwealth of Pennsylvania for the duration of the project. We estimated that upfront construction will produce approximately \$1.7 million in income, sales, and business tax revenues.

Table 3 – Tax Revenue Generated from Construction within the Commonwealth of Pennsylvania

Tax Revenue Impact from Construction	Tax Revenue Impact to Commonwealth of Pennsylvania
Personal Income Taxes	\$0.8
Sales Taxes	\$0.7
Business Taxes	\$0.2
Total Tax	\$1.7

Source: IMPLAN (2015)

Ongoing Operations

According to data provided by Greenwood, estimated gross terminal revenue for the casino are expected to be \$42.5 million each year, by year three, when the location is fully operational. The revenue includes gaming, restaurant, beverage, ATM, and rental revenues. We derive the composition and scale of various impact categories such as output, employment, and tax revenues from casino revenues.

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Ongoing operations of the proposed development are expected to have significant annual impacts on the regional and state economy. The economic impact of the casino is expected to represent approximately:

- \$42.9 million in economic impact within the Township economy, supporting 160 jobs and \$8.1 million in earnings per year,
- \$66.5 million in economic impact within Cumberland County supporting 280 jobs and \$14.9 million in earnings annually, and
- \$74.0 million in annual economic impact within the Commonwealth economy, supporting 320 jobs and \$17.0 million in earnings.

Table 4 – Economic Impact of Operations to Shippensburg Township, Cumberland County, and the Commonwealth of Pennsylvania

Economic Impact from Ongoing Operations	Economic Impact to Shippensburg Township	Economic Impact to Cumberland County	Economic Impact to the State of Pennsylvania
Direct Output (\$M)	\$42.5	\$42.5	\$42.5
Indirect and Induced Output (\$M)	\$0.4	\$24.0	\$31.5
Total Impact (\$M)	\$42.9	\$66.5	\$74.0
Employment Supported (FTE)	160	280	320
Earnings (\$M)	\$8.1	\$14.9	\$17.0

Source: IMPLAN (2015)

Ongoing operations of the proposed development are also expected to increase various tax bases and therefore generate tax revenues for the Commonwealth. We estimate that ongoing operations will produce \$1.0 million in tax revenues for the Commonwealth. This economic impact includes new income and business taxes from the direct, indirect, and induced economic activity generated by the proposed development.

Table 5 – Tax Revenue Generated from Ongoing Operations of the Casino within the Commonwealth of Pennsylvania

Tax Revenue Impact from Operations	Tax Revenue Impact to Commonwealth of Pennsylvania
Personal Income Taxes	\$0.4
Sales Taxes	\$0.4
Business Taxes	\$0.2
Total Tax	\$1.0

Source: IMPLAN (2015)

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Ancillary Spending

In addition to spending on operations and capital investments, the Casino will attract and retain the considerable spending power of students and visitors within the local and state economy. A significant portion of spending by these groups is defined as "ancillary," meaning that it occurs off-site and circulates through the local economy. These expenditures mostly support local retailers and the local hospitality industry, serving as a vital source of demand for these low-margin industries.

Expenditure estimates by visitor types are combined with estimates of visitor volume to yield aggregate ancillary visitor expenditures. Annual expenditures are estimated to total \$25.2 million from visitors outside of the county, and an additional \$16.3 million from out of state, overnight visitors. These spending estimates are the product of visitor counts, which we base on data provided by Greenwood and per-person spending profiles, which were developed using various comparable figures and involved conservative assumptions where such values were unavailable.

Table 6 – Estimated Ancillary Spending Profile

Sector	Outside of County	Outside of State
Hotel	\$0	\$100
Food	\$41	\$59
Other Retail	\$10	\$10
Transportation	\$23	\$23
Total Spend per Visitor	\$74	\$192
Number of Visitors	340,000	85,000
Aggregate Spend	\$25.2 million	\$16.3 million

Source: Greenwood (2019), Trip Advisor (2019), US General Services Administration (2010)

The ancillary spending from casino visitors will create significant activity in the state and local economy. The economic impact of the casino is expected to represent approximately:

- \$39.6 million in economic impact within the Township economy, supporting 486 jobs and \$10.3 million in earnings per year,
- \$60.4 million in economic impact within Cumberland County, supporting 620 jobs and \$16.9 million in earnings annually, and
- \$68.4 million in annual economic impact within the Commonwealth economy, supporting 650 jobs and \$19.0 million in earnings.

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Table 7 – Economic Impact of Ancillary Spending to Shippensburg Township, Cumberland County, and the Commonwealth of Pennsylvania

Economic Impact from Ongoing Operations	Economic Impact to Shippensburg Township	Economic Impact to Cumberland County	Economic Impact to the State of Pennsylvania
Direct Output (\$M)	\$39.3	\$39.3	\$39.3
Indirect and Induced Output (\$M)	\$0.36	\$21.2	\$29.1
Total Impact (\$M)	\$39.6	\$60.4	\$68.4
Employment Supported (FTE)	486	620	650
Earnings (\$M)	\$10.3	\$16.9	\$19.0

Source: IMPLAN (2015)

Visitor spending also boosts various local and state tax bases, creating tax revenues for different government jurisdictions each year. We estimate that the economic impact that results from casino visitor spending will produce \$1.0 million in tax revenues for the Commonwealth of Pennsylvania each year.

Table 8 – Tax Revenue Generated from Ancillary Spending of the Casino within the Commonwealth of Pennsylvania

Tax Revenue Impact from Ancillary Spending	Tax Revenue Impact to Commonwealth of Pennsylvania
Personal Income Taxes	\$0.4
Sales Taxes	\$0.5
Business Taxes	\$0.2
Total Tax	\$1.0

Source: IMPLAN (2015)

Section 9

The proposed casino will act as an economic engine and community partner. The tax revenue generated from the construction and operations activity associated with the proposed casino is expected to outweigh negligible adverse impacts experienced by Shippensburg Township and the local community as a result of increased demand for public services. As stipulated by state gaming regulations, the proposed casino is projected to contribute over \$23.2 million to state, county, and local revenue funds annually.

In total, Shippensburg Township is estimated to receive approximately \$720,000 in annual revenue as a result of the operations of the proposed casino, consisting of \$690,000 in annual slot host revenue and \$30,000 in annual table host revenue. Pennsylvania gaming legislation limits the host community share of gross gaming revenue to 50 percent of the 2016-2017 municipal budget. Consequently, Shippensburg Township will not receive the full 2 percent of slot revenue designated for host municipalities. Instead, the township will receive 50 percent of the 2016-2017 budget, equal to approximately \$690,000. This host fee amount will adjust annually for inflation. The County and State are also expected to derive significant tax revenue from slots and table gaming activity at the proposed casino.

Table 9 – State, County, and Local Revenue Derived from Slots and Table Gaming Revenue at the Proposed Casino

Slot Revenue	Tax Rate	Tax Revenue
Property Tax Relief	34%	\$14,450,000
PA Gaming Economic Development and Tourism Fund	6%	\$2,550,000
CFA Grants -Any County Suffering Decreased LSA	5%	\$2,130,000
Match for Host County LSA Funding	5%	\$2,130,000
Grants through CFA to Host County	2%	\$850,000
Host Municipality ¹	-	\$690,000
Total	54%	\$22,800,000
Table Revenue		
PA General Fund	14%	\$350,000
CFA Grants to Host County	1%	\$30,000
Host Municipality	1%	\$30,000
Total	16%	\$410,000
Total Slots and Gaming		\$23,210,000

Source: PA Gaming Control Board (2019), Greenwood Gaming and Entertainment, Inc. (2019)

In addition to host community gaming revenue, construction and operations activity at the proposed casino is expected to generate local tax revenue for Shippensburg Township. Over 12 months, the Township is expected to receive approximately \$109,000 in earned income tax (EIT) and local service tax (LST) combined as a result of the direct, indirect, and induced economic activity generated by construction of the proposed casino.

Table 10 – Shippensburg Township One-time Tax Revenue from Construction

Shippensburg Township	One-Time Construction Revenue
EIT	\$90,000
LST	\$19,000
Total	\$109,000

Source: Shippensburg Township Municipal Tax Rate Summary (2019), IMPLAN (2015)

Following the completion of the casino, the township is expected to experience an annual increase in EIT and LST. The direct, indirect, and induced activity at the casino will support approximately \$26,000 in EIT and \$6,000 in LST annually. Overall, activity at the proposed casino will generate roughly \$32,000 in new annual revenue for the township, equivalent to 3 percent of total general fund revenue. The casino will also contribute approximately \$550,000 annually in real estate taxes.

Table 11 – Shippensburg Township Tax Revenue from Ongoing Operations

Shippensburg Township	Annual Revenue from Ongoing Operations	2016 Actuals	Annual Revenue from Ongoing as % of Budget
EIT	\$26,000	\$162,591	16%
LST	\$6,000	\$137,704	4%
Other Revenue Sources	\$0	\$627,380	-
	\$32,000	\$927,675	2%

Source: Shippensburg Township Municipal Tax Rate Summary (2019), Shippensburg Township Municipal Annual Audit and Financial Report (2016), IMPLAN (2015)

Table 12 – Net Annual Impact in Shippensburg Township

Financial Impact	
Host Municipality Slot Revenue	\$690,000
Host Municipality Table Revenue	\$30,000
EIT	\$17,000
LST	\$4,000
Total	\$741,000
Negative Community Impact	\$0
Net Positive (Negative) Impact	\$741,000

Source: Shippensburg Township Municipal Tax Rate Summary (2019), PA Gaming Control Board (2019), IMPLAN (2015)

Greenwood Casino will act as an economic engine and community partner. Shippensburg Township is expected to receive approximately \$741,000 in annual revenue. In total, the casino development is expected to have no negative impact on the township.